



0000786486

ORIGINAL

CITY OF  
TUCSONGENERAL SERVICES  
DEPARTMENT

January 3, 2008

Arizona Corporation Commission 2008 JAN -4 P 2: 51

DOCKETED

JAN 04 2008

AZ CORP COMMISSION  
DOCKET CONTROLArizona Corporation Commission  
Docket Control Center  
1200 W. Washington St.  
Phoenix, AZ 85007

|             |  |
|-------------|--|
| DOCKETED BY |  |
|-------------|--|

**Re: Comments on Staff Report in Docket No. RE-00000A-07-0608**

Dear Mr. Pasquinelli, Mr. Johnson, and Utilities Division Staff:

Thank you for the opportunity to comment on the recent Staff Report and Proposal for Net Metering Rules for electric utilities in Arizona. The City of Tucson is committed to greatly expanding the use of solar energy and other renewables in southern Arizona, beginning with City facilities. We believe that a fair and comprehensive net metering policy will support the REST and encourage more solar projects in our area.

In general, we support the Staff Proposal, but we believe that there are some significant changes that should be made. We support the broad scope of the proposal, the full rollover provisions and the application to all classes of service. However, we believe that net metering should be established statewide by Commission order and not be a tariffed service. There is simply no need for different and individual utility policies on this important issue. Many other states have adopted uniform policy. The policy should simply be adopted by the Commission.

This area is particularly problematic because there is no mention in the proposed rule about competing tariffs and whether the policy would override the tariff in the event of a conflict. For example, there is an existing TEP tariff, PRS-101, which is limited to systems of 100 kW or less and only allows net metering for systems of 10 kW or less. This tariff has limited City plans for expanding our solar facilities. Clearly, this tariff would have to change to be consistent with the new proposal. The proposed rule, however, is silent on how or if it would supersede other tariffs or if individual utilities could use the tariff process to place restrictions or charges on net metering customers who are absent from the rulemaking proposal. We encourage you to make explicit the priority of the new rule, either by eliminating the tariff aspect of the new rule altogether or by clarifying that the net metering policy rule takes precedence over other tariffs which may conflict in some way.



**Date:** January 3, 2008

**To:** Mr. Pasquinelli, Mr. Johnson, and Utilities Division Staff, ACC/Docket Control

**Re:** Comments on Staff Report in Docket No. RE-00000A-07-0608

Page 2 of 2

Another related problem area is the possibility of additional charges for customers who net meter. No additional charges are appropriate, whether they are for meter replacement or anything else, and the rule should be changed to make this clear. The proposed reporting requirements seem unduly burdensome as well.

Perhaps most problematic is R14-2-2306 (H) which appears to allow a utility to decline to purchase energy or capacity from a generator when additional costs might be incurred. It is clear that coal-based energy is still cheaper than renewables and allowing Arizona utilities to purchase more coal-fired power rather than locally produced clean renewable energy is not consistent with the REST, our state's policy to reduce greenhouse gases, and our Mayor's commitment to the Kyoto Protocol. This section should be eliminated.

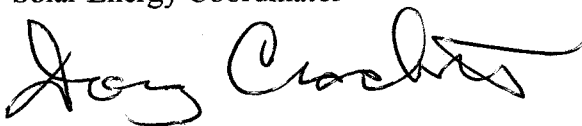
Please keep us informed of future hearings on this important matter. The City of Tucson supports Commission action on net metering and wishes to assist in the development of a sound policy for our utilities and our state that is consistent with the REST and which will encourage more renewable energy projects. Thank you again for the opportunity to comment.

If you have any questions, please contact Bruce Plenk at (520) 791-5111, ext. 327, [bruce.plenk@tucsonaz.gov](mailto:bruce.plenk@tucsonaz.gov), or Doug Crockett at (520) 791-5111, ext. 320, [doug.crockett@tucsonaz.gov](mailto:doug.crockett@tucsonaz.gov).

Sincerely,



Bruce Plenk  
Solar Energy Coordinator



Doug Crockett  
Energy Manager

BP:DC:kp

c: Ron Lewis, Director, General Services Department

Tony Larrivee, Administrator, Facilities Management Division